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Sent by email: transparencyandtrust@bis.gsi.gov.uk

17 July 2015

Dear Sir/Madam

GC100 response to BIS consultation, Register of People with Significant Control Regulations 2015

I am writing on behalf of GC100 to respond to the BIS consultation, *The Register of people with significant control: scope, nature and extent of control, fees, the protection regime and warning and restrictions notices* (Register of People with Significant Control Regulations 2015 Consultation).

GC100 is the association for the general counsel and company secretaries of companies in the UK FTSE 100. There are currently over 125 members of the group, representing some 81 companies.

Please note, as a matter of formality, that the views expressed in this consultation response do not necessarily reflect those of each and every individual member of GC100 or their employing companies.

Question 1

Do you have any comments on the impact assessments covering the protection regime and the costs of making registers publicly available?

The administration costs for companies will be greater than stated. For company secretarial this replaces the annual return and will be an additional register to maintain and update.

Question 2

Do you agree with the proposed exemptions?

Yes.

Question 3

Should other companies be exempted, and why?

GC 100 believes that wholly owned (direct and indirect) subsidiaries of DTR 5 issuers should be exempt as there is already transparency about the ultimate owners of the top company in the group, and it should be easy enough to confirm that a company is part of that group (for example, from filed accounts). This would reduce the administrative and cost burden to most FTSE companies with a large corporate structure with no detriment to the overall objectives.

GC100 Group

The Association of General Counsel and Company Secretaries of the FTSE 100

The GC100 Group is an unincorporated members' association administered by Thomson Reuters.

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Question 4

Should an exemption be applied to issuers on any of the regulated markets outside the EEA? If so, which markets and why?

GC100 believes the following markets should also be included in line with the exemptions below:
<http://www.fca.org.uk/firms/markets/ukla/information-for-issuers/non-eea-regimes>

Major Shareholding Rules (DTR 5) Exemption

On examination the FCA is satisfied that the laws governing major shareholder legislation in the following countries are equivalent. Issuers with securities admitted to trading on a regulated market in the UK that are incorporated in any of these countries will be exempt from the requirements under DTR 5.

- USA
- Japan
- Israel
- Switzerland – EEA so can be included.

Question 5

Are there other entities not included in this list which you believe to be subject to very similar disclosure and transparency requirements as DTR5 issuers? If so, please explain with reference to the relevant legislation?

Please see our response to Question 4, above.

Question 6

Do you agree with the proposed dual approach for recording the relationship between the PSC and the company, showing which condition or conditions are met and to what extent? If not, what alternative would you propose?

GC100 agrees with the approach.

Question 7

Are the proposed 25% bands for share ownership and voting rights too narrow, too broad or at the right level? Is there merit in a separate category for 100% control?

GC100 believes that the 25% bands for share ownerships work well. There would be merit in 100% control being exempt.

Question 8

Would it be simpler to require companies to state the exact proportion of shares or voting rights controlled? If so, do you have any views on how the impact might be mitigated for the small percentage of companies whose register would be subject to frequent updating?

This would be an administrative burden and make the procedure labour intensive and even more expensive to administer with no balancing benefit.

Question 9

Do you agree with the proposed approach for requiring companies to note other information on their register? If not, please explain why?

GC100 agrees with this approach.

Question 10

Which fee structure, Option 1 or Option 2, do you prefer and why?

Option 2 – fixed fee, though £12 is not going to cover the administrative expense for this work and for invoicing it, and GC100 would suggest £50 would reflect better the work involved.

Question 11

Do you think the level of the fees in the options is correct? If not, please explain why.

See response to question 10.

Question 12

Do you think the definition of ‘an entry’ in the draft regulations is correct? If not, please explain why.

Yes, this definition is clear and correct.

Question 13

Is the process for protecting residential addresses from credit reference agencies appropriate and complete?

Yes, it’s the same for Directors, which has worked well for many years.

Question 14

Is the process set out in regulations 25-36 appropriate and complete?

GC100 believes regulations 25-36 to be appropriate and complete.

Question 15

Are the grounds for making an application clearly defined? If not, please explain.

It’s important to make the grounds align to those used in respect of publication of the details of directors on the Companies register. This includes the prospect of violence and intimidation. We would propose that for the sake of consistency the definition of “Connected Person” from the FCA model code could be used as a definition.

Question 16

Are the transitional arrangements appropriate?

GC100 believes so.

Question 17

Is the 28 day limit for an individual to cease to be a PSC appropriate? If not, explain why not.

GC100 believes its members would be able to manage with the 28 day limit, but it could be less easy for smaller companies. A 90 day limit would appear more reasonable.

There also needs to be a pre-clearance process to enable those who would not, for example,

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purchase shares if they have to appear on a register to clarify that position in advance of completion. This would avoid the position where transactions are subject to obtaining such clearance needing to complete first and then have to be reversed out or another buyer obtained post announcement.

Question 18

Is the mandated content of the warning and restrictions notice useful? Are the notices too detailed or are there elements that can be omitted?

GC100 believes there is nothing contentious.

Question 19

Do you agree that capacity to respond should be the only factor a company must take into account in considering reasons for non-compliance? If not, please indicate what other factors a company should take into consideration and in what circumstances this would be appropriate?

GC100 believes the capacity to respond is correct. This could be more difficult for smaller companies with shareholders who spend significant periods abroad for example.

We would be happy to discuss any of these points with you further.

Yours faithfully,



Mary Mullally
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